

Letter of Comment No: 4365
File Reference: 1102-100

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Chairman Robert H. Herz
Director of Major Projects—File Reference No. 1102-100
Order Department, Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Dear Chairman Herz,

A company's ability to offer stock options allows that company to provide their employees a valuable incentive to help themselves by helping the company to succeed. Thanks to stock option programs, employees know that the company's success is their success as well. Stock options keep employees pulling hard in the same direction.

Surely FASB's membership must understand that it is impossible to know how much a stock option costs a company until the employees actually exercises that option. This is a fundamental principle of accounting. Mandatory expensing of stock options would force U.S. companies into a wasteful guessing game. In its zeal for corporate reform, FASB seems to be leaving logic behind.

Finally, I would like to thank you for your time in hearing out this important issue. I understand that you are a very busy person who may not always have time to acknowledge every request from each constituent. However, this is a very important issue that affects personal freedom, job creation, and economic growth. It needs to be addressed in order to insure the future success of small businesses in America.

Sincerely,


Lauree Bramwell